



CALIFORNIA
DEPARTMENT OF
EDUCATION

1430 N STREET
SACRAMENTO, CA
95814-5901

JACK O'CONNELL

State Superintendent of
Public Instruction

PHONE: (916) 319-0800

August 2, 2004

Dear County Superintendents of Schools, Auditors, and Treasurers:

2004-05 ADVANCE APPORTIONMENT

In July 2004, county treasurers will receive a warrant that reflects state aid for programs included in the 2004-05 Advance Apportionment for elementary, high, and unified school districts, charter schools, and county offices of education.

In accordance with the decision of the Court of Appeal in *White v. Davis*, the State Controller is precluded from disbursing funds without an enacted budget bill or emergency appropriation and is limited to disbursing funds pursuant to appropriations found in other statutes and provisions of law. Accordingly, in the absence of a signed state Budget Act for the 2004-05 fiscal year, the funding for the Advance Apportionment was limited to the state aid portion of the revenue limits for school districts and county offices of education and the general-purpose entitlement for charter schools funded under the charter school block grant.

As provided in *Education Code* Section 41330, the 2004-05 Advance Apportionment is based on the 2003-04 Second Principal Apportionment (P-2) state aid, which is then increased to reflect estimated adjustments authorized in statute. These adjustments include a cost-of-living increase, average daily attendance growth, local revenue growth, and funding to mitigate the Public Employees' Retirement System (PERS) reduction. In addition, the 2004-05 Advance Apportionment reflects the ABX5 9 (Chapter 2, Statutes of 2003 Fifth Extraordinary Session) shift of property taxes from local educational agencies to local governments, estimated at \$1 billion from Educational Revenue Augmentation Fund (ERAF) taxes. The ABX5 9 2004-05 adjustments were based on ERAF allocations reported at the 2003-04 P-2 Apportionment. Additional property tax shifts are contained in pending legislation and, if enacted, will be included in any subsequent apportionment (re)certifications.

A recertification of the Advance Apportionment will be made upon enactment of the 2004-05 Budget Act and implementing legislation, and at that time, the monthly payments will be adjusted. LEAs should budget accordingly.

For your convenience, a copy of this letter and apportionment exhibits are available on our Web site under Principal Apportionments at <http://www2.cde.ca.gov/principalapp/>.

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The Web site also contains a list of staff to assist you if you have questions regarding the apportionment.

County superintendents should advise districts and charter schools of this apportionment as soon as possible by providing them a copy of this letter.

If you have any questions, please contact our Principal Apportionment Office at (916) 324-4541.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack O'Connell". The signature is fluid and cursive, with the first name "Jack" and last name "O'Connell" clearly distinguishable.

JACK O'CONNELL

JO:cc